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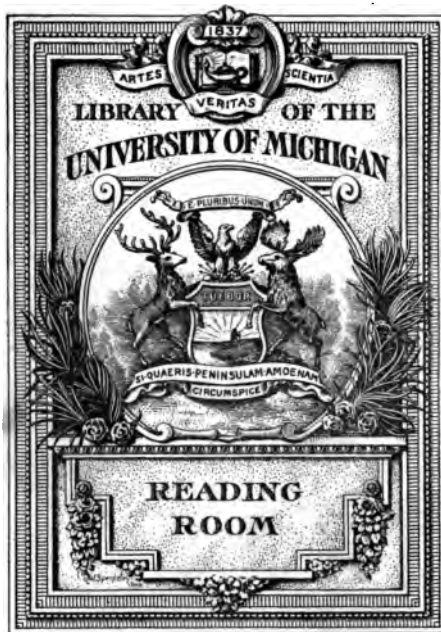
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Tariff Legislation in the
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TOPICS AND REFERENCES
IN
POLITICAL ECONOMY VI.
HARVARD COLLEGE.

TARIFF LEGISLATION IN THE
UNITED STATES.

CAMBRIDGE, MASS.:

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TOPICS AND REFERENCES

IN

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TARIFF LEGISLATION IN THE
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CAMBRIDGE, MASS.

POLITICAL ECONOMY VI.

PART I. IMPORTANT DOCUMENTS AND PAPERS.

1. Hamilton's Report on Manufactures.

Read Hamilton's *Works*, ed. of 1810, I, 157-196;
ed. of 1850, III, 192-223; ed. of 1885, III, 294-335.

Summary of the Report:

1. The relative productiveness of agriculture and manufactures. Rent, as a sign of the productiveness of agriculture.
2. Circumstances rendering manufactures productive: (1) division of labor; (2) use of machinery; (3) employment of women and children; (4) promotion of immigration; (5) greater diversity of talent; (6) more various field for enterprise; (7) greater demand for products of the soil, "home market."
3. Peculiar circumstances of U. S.: (1) absence of reciprocity; (2) cultivation of land not retarded; (3) force of habit opposes manufactures; (4) improbability of success, from (a) scarcity of labor, (b) dearth of labor, (c) scarcity of capital (remedied by funded debt).
4. General arguments again: (1) will encouragement of manufactures cause a rise in prices? (2) independence in time of war; (3) charge of transportation saved; (4) no opposition of interest between North and South.

5. Means for encouraging manufactures enumerated and discussed ; *e. g.* duties on imports, prohibitions of importation, prohibitions of exportation, bounties (commended, and constitutionality maintained), premiums, drawbacks, encouragement of inventions, etc.
6. List of industries existing, and recommendations in regard to them.

2. Gallatin's Memorial of 1831.

Read Gallatin's *Memorial on Free Trade*, pp. 1-47; the same passages in *Congressional Documents*, 1st session, 22nd Congress, *Senate Doc.*, vol. I, No. 5, pp. 1-30, and in *The Banner of the Constitution*, vol. III, pp. 97-101.

Summary of the Memorial :

1. The needed revenue, and the average duty which would secure it.
2. The general principles of free trade.
3. Compensating advantages from protection, as the employment of female labor [compare Mill, *Political Economy*, Book I, ch. V, § 1, note], the stimulus to producing some raw materials, the creation of a home market.
4. Certain arguments for protection: high wages; that foreign trade stimulates foreign industry; the relation of imports and exports; reciprocity and retaliation; the experience of other countries.
5. The reduction of prices by domestic competition.
5. Careful and detailed examination of duties then in force.

3. Walker's Report of 1845.

Read Report of the Secretary of the Treasury for 1845, *Executive Documents*, 29th Congress, 1st session, vol. II, No. 6, pp. 3-14. Printed also in *Niles's Register*, vol. 69, pp. 233-235.

1. Noteworthy principles laid down :

- (a) No duty should be imposed above the lowest rate that will yield the largest revenue. What does this mean? (b) Below this rate discrimination may be made. What sort of discrimination would Walker favor? (c) The maximum rate may be imposed on luxuries. (d) All specific and minimum duties should be abolished.
- 2. How far the reasoning and the proposals of the report are consistent with the principles of free trade.
- 3. The treatment of the effects of a protective tariff on wages and on profits.
- 4. Specific and ad valorem duties. The warehousing system.
- 5. The general merit of the Report; the praise it has often received. *Report of the Tariff Commission of 1882*, pp. 1423-1427.

PART II. HISTORY OF TARIFF LEGISLATION.

4. Period before 1789.

General References: Adam Smith, *Wealth of Nations* (Rogers's ed.), II, 156-166. Pitkin, *Statistical View*, ch. I. In general, read on the period till 1816, H. C. Adams, *Taxation in the U. S.*, 1789-1816.

- 1. Policy of England. The Mercantile System.
 - (a) The Navigation Laws and the Colonial System.
 - (b) Bounties. (c) Prohibitions. (d) History of the iron manufacture, as a type. Bishop, *Hist. Manuf.*, I, 623-629.
- 2. Policy of the Colonies.
 - (a) Bounties. Bishop, vol. I, *passim*. (b) Effect of war of revolution. Non-importation agreements. Bishop, I, 365-396.
- 3. Industrial state of the Colonies. How far affected by legislation. H. C. Adams, *Taxation*, etc., 5-13. Thompson, *Social Science*, 353.

4. Tariff acts of individual States before 1789, *e. g.* Pennsylvania act of 1785, Hoyt's *Protection versus Free Trade*, Preface, p. xii; Adams, *Taxation in U. S.*, 27.
5. Scheme of a Federal Impost (5% duty) under the Confederation. The effect of its failure on the formation of the Union. Elliot, *Debates*, 92-106. Pitkin, *Statist. View*, 26-29.

5. Tariff Act of 1789.

General References: Hamilton, *Life of Hamilton*, IV, 2-7. Sumner, *Protection in U. S.*, 21-25. Young, *Report on Customs Legisl.*, p. xv.

1. Debate of 1789.
 - (a) Madison's position. Young, *Report*, p. vii, viii. Madison, *Writings*, I, 466, 468. (b) Protectionist views advanced. (c) General tendency of the debate to look mainly at the revenue.
2. Act of 1789.
 - (a) The preamble. (b) Modelled on 5% scheme of confederation. General 5% duty. (c) Duties of 7½, 10, 15%, on certain articles. (d) Specific duties on cordage, hemp, nails, steel, etc. Hamilton, *Works*, II, 55.
3. A common account of the significance of the act of 1789. Blaine, *Twenty Years of Congress*, I, 182-186.
4. Tonnage act of 1789.
5. Revenue Collection act of July 31, 1789.

6. 1789-1816.

General References: Bolles, *Fin. Hist.*, II, 73-87. Taussig, *Young Ind.*, 14-21.

1. Tariff Acts from 1789 till 1816. Gradual increase of duties. Act of 1804 (Barbary Powers act) as an example. Young's *Report*, xxxi, xxxii.

2. Industrial history, 1792-1807. Expansion of trade, due largely to wars in Europe. Large imports, especially from England.
3. Restrictions, 1808-1815. Embargo, 1808-1809. Non-intercourse Act, 1809. War, 1812-1815. Duties doubled during the war. Effect of restrictions on foreign trade; on manufactures.
4. Public opinion on protection in the earlier part of the period. Madison's attitude in 1789, *Young's Report*, p. viii; his Resolutions of 1794, *Annals of Congress*, 1794, pp. 155, 209. Jefferson's feeling in 1787, *Notes on Virginia, Works*, VIII, 404; his *Report on Commerce*, in 1793, *Works*, VII, 637-651. Various Committee Reports of this period in *American State Papers, Finance*, vol. I.
5. Public opinion during the period of restriction. Clay's speech of 1810, *Works*, I, 195-199 (edition of 1843).

7. Act of 1816.

General References: Taussig, *Young Ind.*, 28-34, 40-44. Sumner, 34-38. Calhoun, *Works*, II, 163-173. *Stat. at Large*, III, 310-311.

1. Great growth of manufactures during the war. Manufacturers ask for aid. Appleton, *The power-loom*, etc., 12-13.
2. Madison's Message, *Statesman's Man.*, I, 331.
Dallas's Report, *Am. St. P. Finance*, III, 87-91.
3. Provisions of the act. General increase of duties. Duties on cottons and woollens; on rolled and hammered bar iron. Taussig, *Young Ind.*, 54, 56.
4. Public opinion not strongly aroused. Attitude of New England, the Middle States, and the South. The act of 1816 marks transition from the period 1789-1815 to the period 1820-32.
5. The War Argument. Calhoun's speech of 1816. Holst's *Life of Calhoun*, pp. 27-37.

8. The Protective Movement after 1819. The Act of 1824.

General References: Taussig, *Young Industries*, 21-28, 33-40, 43-48, and in *Political Science Quarterly*, vol. III, March, 1888; Webster, *Works*, 96-106. *Stat. at Large*, IV, 25.

1. The years 1816-19. Inflated prices; large imports; land speculations; reckless banking.
Crisis of 1819. Effect on agriculture; on manufactures. Hildreth, *Banking*, 64-78; Gouge, *Hist. of Paper Money*, 55-127.
2. Protective movement after 1819. Agitation for Protection. M. Carey's pamphlets, *Appeal to Common Sense* (1822), *The Crisis* (1823), etc. *Niles's Register*.
3. Tariff acts of 1818. *Stat. at Large*, III, 460, 461.
Tariff bills of 1820, 1821, 1822.
Attitude of the Middle and Western States; of New England; of the South. Question of constitutionality raised.
4. Situation in 1824. Candidates for the presidency: Clay, Crawford, Jackson, Adams. Jackson's Letter to Coleman. Parton, *Life of Jackson*, III, 34-36.
5. Act of 1824. Its history in Congress. Attitude of Massachusetts. The measure acceptable chiefly to the West and Middle States.
General advance of duties on raw materials (hemp, wool, iron), and on manufactures (cottons, woollens, tern cordage).

9. Tariff Act of 1828.

General References: Taussig, in *Political Science Quarterly*, vol. III (March, 1888); Calhoun, *Works*, III, 47-51; *Stat. at Large*, IV, 270.

1. Woollen Manufacture, 1824-28. Reduction of duty on wool in England in 1824 and 1825.

2. Woollens Bill of 1827. The Minimum Scheme. Bishop, *History of Manuf.* II, 313. Bill in full, *Annals Congr.*, III, 731.
3. The Harrisburg Convention (1827). The demand for higher protection extended to other articles than wool and woollens. *Niles*, XXXII, 388-396.
4. Political situation, 1827-28. Democratic leaders from North (Jackson men) combine with Southern members. Attitude of Adams's supporters, especially those from New England.
5. Act of 1828; "the tariff of abominations." Duties on wool (note that on cheap wool); minimum system on woollens (note cheap woollens); on molasses, without drawback on rum; on iron, hemp, flax.
6. Curious votes on this act. *Niles*, XXXV, 52-57. Slight political effect on the election of 1828.

10. Agitation in the South. The Export Tax Theory.

General References: McDuffie's speech, in *Congr. Debates*, vol. VIII, Part III, pp. 3142-3150. Mill, *Political Economy*, Book V, ch. IV, §§ 5, 6.

1. Agitation in the South against the tariff, to which all depression is ascribed. Madison's *Private Correspondence*, 274-285.
2. First form of the export tax theory, as stated in 1830: a tax on imports is a tax on exports, and a tax on the South. McDuffie's speech of 1830, *Congr. Deb.*, vol. VI, pp. 843-847.
3. Second form of the theory, in McDuffie's speech of 1832. (See also his report for the Committee on ways and means in 1832, Reports of Committees, 1st sess., 23d Congr., vol. II, no. 279). The theory worked out in the movement of prices.
4. The connection between slavery and the export tax theory.

5. Acceptance of the export tax theory by the South in 1832. Hayne's speech, *Congr. Debates*, vol. VIII, pp. 86-90. Address of So. Car. Convention, in *State Papers on Nullification*, p. 62. Calhoun, *Works*, III, 411; IV, 182.
6. The theory soon dropped in the South. Similar reasoning sometimes appears at the present time, *e. g.* N. Y. *Nation*, Dec. 31, 1885, and Dec. 15, 1887. How far is it sound?

11. 1828-1832.

General References: Sumner, *Life of Jackson*, 215-223; Clay, Speech of Jan. 11, 1832, *Works*, I, 586-595. *Stat. at Large*, IV, 583.

1. Tariff Acts of 1830. Tea and coffee free. Abominations of 1828 removed in part. *Stat. at Large*, IV, 403, 419.
2. Public Sentiment on the Tariff. Free Trade Convention in Philadelphia, 1831. Gallatin's Memorial; Adams, *Life of Gallatin*, 640-642. Protectionist Convention in New York.
3. The revenue question. Approaching discharge of the public debt.
4. Various proposals in 1832.
 - (a) Administration scheme. Jackson's Message, *Statesman's Manual*, II, 763. Bill prepared by Secretary McLane, *Exec. Doc.* 1831-32, vol. 5, No. 22.
 - (b) Southern project. McDuffie's report and bill, *House Rep.*, 1831-32, vol. 2, No. 279.
 - (c) Clay's high protection scheme.
 - (d) Moderate protection scheme. J. Q. Adams's report and bill. *House Rep.* 1831-32, vol 5, No. 481.
5. The act of 1832, founded on Adams's scheme. The duties on iron, wool and woollens, cottons, silks, etc.

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12. Act of 1833.

General References: Sumner's *Life of Jackson*, 281-291.

Clay's speech of Feb. 12, 1833, *Works*, II, 106-121.

Bolles, II, 422-431. *Stat. at Large*, IV, 629.

1. Political Situation in 1832-33. Nullification by South Carolina. Re-election of Jackson, and election of a Congress likely to follow his suggestions. The old Congress holds over for the session of 1832-33.
2. Verplanck bill, supported by the administration. *Congr. Debates*, vol. IX, p. 958. Its passage found to be impossible.
3. Clay's Compromise Scheme. The administration party and the South (Calhoun); the protectionists. Supposed "secret history" of the compromise. Benton's *Thirty Years' View*, I, 342-344. Clay's speech in 1837, *Congr. Debates*, XIII, 969-970; Appleton's speech in 1842, *Congr. Globe*, X, (Appendix), p. 575.
The public lands bill fails because of a pocket veto. *Amer. Ann. Register*, 1832-33, pp. 182-185.
4. Act of 1833. (a) Gradual reduction of duties. *American Almanac* for 1834, p. 138. (b) Treatment of specific duties. U. S. Doc., 1833-34, Exec. Doc., vol I, No. 43. (c) Horizontal rate of 20 per cent. Its general policy. Webster, *Works*, IV, 258-261. (d) Did the act impose any duties after 1842? Decision of the Supreme Court in *Aldridge vs. Williams*, 3 *Howard*, 9.

13. 1833-1842. Tariff of 1842.

General References: Holst, *Constitutional History*, II., 451-

463. Bolles, II, 426-431, 440-448. *Statutes at Large*, V, 548.

On the period between 1830 and 1860, see, in general, Taussig, in *Quarterly Journal of Economics*, April, 1888.

1. **Economic events of 1833-42.** The bank troubles, the crises of 1837 and 1839, the depression of 1839-41. These events sometimes said to be connected with the changes in duties. Carey, *Social Science*, II, 225; Stebbins, *Protectionist Manual*, 182.
2. **Operation of the act of 1833.** (a) Any effect on manufacturing industries? (b) Accumulation of revenue due to the peculiar features of the act? (c) Attempts to modify it. Woodbury's Treasury Report of 1835. Bill passed by the Senate in 1837, *Congr. Debates*, XIII, 939; a similar bill in the House. No proposals in 1837-41. (d) Tariff act of 1841, *Stat. at Large*, V, 463.
3. **Financial situation in 1842.** Political situation. The Whigs and the tariff; Tyler's position. Effect of these complications on the details of the act.
4. **Provisions of the act.** Credits on duties abolished; but no warehousing system.
5. **Debates in 1842.** The labor argument. The violation of the compromise of 1833. Not a word as to nullification. Prominence of the iron industry.
6. **Revival of trade in 1843-44.** How far this was connected with the passage of the act of 1842.

14. Tariffs of 1846 and 1857.

General References: Holst, *Const. History*, II, 529-535, III, 277-280; Webster, *Works*, V, 225-235; *Stat. at Large*, IX, 42; XI, 192.

1. **Political situation.** Campaign of 1844. Session of 1845-46, and passage of the act of 1846. Allegations of British Gold.
2. **Provisions of the act of 1846.** The schedules; the ad valorem duties; the warehousing system. How far did it follow Secretary Walker's recommendations? How far was it a free trade measure?

3. The debates on the act of 1846. The wages argument in the speeches of Hunt, *Congr. Globe*, 1845-46, *Appendix*, p. 967, and of Winthrop, *ibid.*, 972-973. Its treatment by Webster.
4. Financial operation of the act of 1846. Working of the ad valorem duties. Speech of Brooks, *Congr. Globe*, XXIV, 809-812 (1852). Report of the Secretary of the Treasury for 1853, pp. 62, 104.
5. Act of 1857. The bill, as originally passed by the House, much amended in the Senate. The changes in duty made by it.
6. Slavery and the tariff. Attempts by the Whigs to substitute the tariff for slavery as the decisive issue in politics.

15. Economic History, 1840-60.

General References: Grosvenor, *Does Protection Protect*, 146-150, 223-229.—On manufacturing industries, see, in general, the introduction to the volume on manufactures of the census of 1860.

1. General prosperity during this period. Can it be ascribed to the tariff acts of 1846 and 1857?—The crisis of 1857.
2. International trade, and the growth of exports and imports. James, *Amerikanischer Zoll-tarif*, 49-73; *International Review*, XI., 450-462. Grosvenor, 50-53.
3. Iron Manufacture. Uncertainty of the statistics. Course of production, and extent of importation. Anthracite and charcoal iron. Hewitt on *Statistics of Iron*, 24-32; Statistics in Hewitt's *A Century of Mining in the United States*, Appendix, and in the Reports of the *American Iron and Steel Association*.
4. The Cotton Manufacture. Batchelder, in *Hunt's Merchant's Magazine*, XLV, 14-16. The domestic consumption of raw cotton; statistics in *Quarterly Reports of the Bureau of Statistics*, No. 3, 1885-86, p. 60, in

Reports of U. S. Comm. to Paris Exhibition of 1867, VI, 30-35, and in *Hunt's Merchant's Magazine*, XLV, 11.

5. The Woollen Manufacture. Census of 1860, as above; *Special Report of the Bureau of Statistics on the Manufacture of Wool* (1887).
6. The range and extent of manufacturing industry in 1860.

16. The Morrill Tariff. Duties During the War.

General References: Wells, in *Cobden Club Essays, Second Series*, pp. 473-481.

On the history of legislation between 1860 and 1883, read Taussig, *History of the Present Tariff*.

1. The state of the revenue in 1860. The political situation. The Republicans in control of the House in the 36th Congress. The tariff bill passed in the House in 1860, in the Senate in 1861.
2. Provisions of the Morrill tariff act of 1861. Specific substituted for ad valorem duties. The rates on iron, wool and woollens, cottons, etc.

How far the act was protectionist. Attitude of the manufacturers, especially on the wool and woollen duties.

3. Financial needs of the civil war. General character of the war legislation. Acts of August and December, 1861, imposing direct tax, and raising revenue duties. *Stat. at Large*, XII, 292, 330.

Internal Revenue act of 1862. Excise taxes in general at 3% on the value. Young's *Tariff Legisl.*, p. 126. Corresponding increase in import duties in the tariff act of 1862. *Stat. at Large*, XII, 433, 543.

4. Tax and Tariff acts of 1864. Act authorizing \$400,000,000 loan. Three-fold object of the tariff act: revenue, compensation of internal taxes and protection. Brief consideration of the bill in Congress. Its importance in financial and economic history. *Stat. at Large*, XIII, 202, 223.



17. Reduction of Duties, 1864-86.

General References: Taussig, *Present Tariff*, pp. 17-39, 88-101. Perry in *Quarterly Journal of Economics*, vol. II, pp. 69-78 (Oct., 1887).

1. Reduction and abolition of the internal taxes, 1865-72. Further changes in 1883. The present internal tax system.
2. Attempts to reduce duties. The state of opinion on the tariff immediately after the war. The bill of 1867, passed in the Senate, lost in the House.
3. Act of 1870. Its object, a reduction of revenue. The revenue duties lowered; also a few protective duties, *e. g.* on pig iron. Young's *Tariff Legisl.*, p. 167.
4. Act of 1872. Pressure for a reduction of duties. The protectionist tactics. A general 10 per cent. reduction and a lowering of duties on certain raw materials, substituted for a detailed revision.
Abolition of duties on tea and coffee in 1872.
In 1875, repeal of the 10 per cent. reduction, with an increase in the sugar duty, and in the internal tax on spirits.
5. The Morrison bill of 1876; in *Congr. Record*, 1875-76, p. 3321. The Wood bill of 1878, *Congr. Record*, 1877-78, p. 2398; *N. Y. Nation*, vol. XXVI. pp. 89, 220, 225, 380.
6. The act of 1883. Tariff Commission act of 1882. The report and recommendations of the Commission. The tariff bill adopted by both houses, on the report of a conference committee. Nature of the reductions in the act of 1883. *Report of the Tariff Commission of 1882*. Compare *Quarterly Reports of the Bureau of Statistics*, No. 2. 1886-87, p. 364.
7. Unsuccessful attempts at legislation, 1883-1887.

18. Increase of Duties, 1864-83.

General References: Taussig, *Present Tariff*, pp. 40-88.

1. Wool and woollens. Act of 1867. Convention of wool growers and manufacturers, and agreement by them on a tariff scheme. The compensating principle; mixed specific and ad valorem duties. Large increase of duties.
2. Copper act of 1869. Increase of duties. Character of the act. Vetoed by President Johnson, but passed over the veto.
3. Act of 1870, while reducing some duties, raises others, *e. g.* on steel rails, nickel, flax, etc.
4. Act of 1883. General character of the advance of duties under it.

PART III. EFFECT OF TARIFF LEGISLATION SINCE 1860.

Convenient general sources of information are:

Report of the Special Commissioner of the Revenue (D. A. Wells) for 1866, 1867, 1868 and 1869.

Report of the Tariff Commission of 1882, House Misc. Doc., 47th Congr., 2d sess., Doc. No. 6, (referred to in the following pages as *Tariff Commission Report*.)

Arguments made before the Committee of Ways and Means on the Morrison tariff bill of 1884, House Rep., 48th Congr., 1st session (referred to as *Arguments of 1884*).

Statements to the Committee of Ways and Means on the Morrison tariff bill of 1886. House Rep., 49th Congr., 1st session (referred to as *Statements of 1886*).



Report of the Secretary of the Treasury on the Revision of the Tariff, with accompanying documents. House Exec. Documents, 49th Congr., 1st session (referred to as a *Report on Revision*, 1886).

Report on the Existing Tariff on Imports, and the Free List, with comparative tables of present and past tariff. Senate Rep., 48th Congr., 1st sess., Rep. No. 12. (referred to as *Tariff Compilation*, 1884.)

Imports and Duties; a compilation showing the imports and duties on all articles from 1867 to 1883. House Misc. Doc., 48th Congr., 1st sess., No. 49.

19. Iron, 1860-1885.

General References: *Mineral Resources of U. S.* (1886), 11-23. Wells, *Practical Economics*, 85-95. *Tariff Commission Report*, 2010-2022.

Statistics of production, imports, domestic prices, etc., are in the *Reports of the American Iron and Steel Association*.

1. Iron Ore. Distance of the iron mines from the coal centres; the ores of Lake Superior. Imports of ore, chiefly from Spain, Elba, and Cuba. Swank, *Production and Characteristics of Iron Ore in the United States; mineral Resources*, 39-103.
2. Pig Iron. Increase of production since 1860. The two "boom" periods, 1870-72, and 1879-81. Present locality of production: (a) district east of the Alleghanies, anthracite iron; (b) central district, Pennsylvania and Ohio; (c) Western and Southern States. Imports of Pig Iron; regular continuance of the imports of Scotch iron, and its explanation. Fluctuating import of other iron. Character of the pig-iron industry before 1873. J. S. Newberry, in *International Review*, I, 768-780. Growing production in the South.

3. Prices of pig iron, in England and in the United States. Difficulty of making comparisons. The effect of the tariff on prices; is the price in the United States made higher to the full extent of the duty? Probable consequences of removing the duty. (American prices given in *Reports of the American Iron and Steel Association*; English prices in *Reports of British Iron Trade Association*, and in the *London Economist*.)
4. Bar Iron. Production; Imports; Duty. Difference between the cost of converting pig iron into manufactured iron in England and the United States.
The manufacture of hardware. Exports of hardware.
5. Bessemer steel. History of its manufacture in the United States. The product and import. How far prices have been affected by the tariff. Taussig, *Present Tariff*, p. 107. Swank, *Iron in All Ages*, ch. 38. Schoenhof, *Destructive Influence of the Tariff*, ch. 7.
6. The controversy as to cotton ties. *Tariff Comm. Report*, pp. 2040, seq. The duty on tin plates. *Report on Revision*, 1886, pp. 383-392.
7. The wages question in the iron trade. Mixture of skilled and unskilled workmen. The Amalgamated Iron and Steel Association, and its possible influence on the wages of skilled workmen. Discussion of the wages of unskilled laborers in (Wells's) *Census Revelations*, etc.

20. Cottons.

General References: Report on Cotton Manufacture in Census of 1880, pp. 5-15: Wells, *Practical Economics*, 81-85.

On the duties on cottons in general, see the statements in *Arguments of 1884*, pp. 123-181.

1. Extent and Importance of the Cotton Manufacture.

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2. Domestic production of cheap goods. Is it desirable to check the importation of foreign cottons of lower price and poorer quality? Is it desirable to prevent foreign manufacturers from making occasional sales, at abnormally low prices, to get rid of surplus stocks?
3. Imports of cottons. Character of the grades imported. Increase in the duty in 1883.
4. Reasons why coarse cottons are manufactured successfully. Why the failure to manufacture finer qualities.
Can popular education, no standing army, general intelligence, be adduced as causes enabling manufacturers in the United States to compete on equal terms with foreign manufacturers?

21. Silks.

General References: Wyckoff, *Silk Manufacture*, 42-51; Schoenhof, *Industrial Situation*, ch. III, V, VI.

1. Various attempts to encourage the production of raw silk in the United States. The colonial period; bounties in Georgia. Bishop, *History of Manufactures*, I, 358. The *morus multicaulis* speculation of 1830-40; see *The Silk Culture in the United States* (1844). Raw silk now admitted free. Whence it comes.
2. History of the silk manufacture. Sewing-silk. State of the industry in 1860. *Census Report of 1860*, pp. 94-105.
Great growth since 1865, especially since 1870, under the influence of high duties. How far were the duties originally intended to have this effect?
3. Continued imports of silks. Reasons adduced why imports continue, in spite of the high duties: (a) adulteration of foreign silks; (b) the lower wages in European countries; (c) the difficulty arising from the nature of raw silk, of applying machinery in its manufacture in the same degree as in other textile industries. Wyckoff's *Silk Goods of America*, pp. 7-40.



4. Administrative difficulties. The temptations to fraud under the high ad valorem duty. The consignment system. Reasons why it is difficult to substitute specific for ad valorem duties. *Tariff Commission Report*, 1048-1052, 1605-1613, 2165-2174.

22. Wool and Woollens.

General References: *Bulletin Wool Manufacturers*, XV, 210-226: the same passage in *Report on Revision*, 299-313. Schoenhof, *Destructive Influence*, 17-35, *Industrial Situation*, 23-31. Taussig, *Present Tariff*, 53-64.

Statistics and general information are given in the *Special Report of the Bureau of Statistics on Wool and Manufactures of Wool*, 1887.

1. Production of wool. Increase since 1860; transfer to the West. *Bulletin Wool Mf.*, XIII, 102-106; *Wool Report of 1887*, p. 162. Meaning of this change.
Character of American wool. Influence of climate and other physical causes.
2. Imports of wool. What grades are imported, and why. Carpet-wool; *Tariff Commission Report*, 2414, 2415.
3. Effect of the duties on wool. (a) Immediate effect of the act of 1867. *Report of Special Commissioner of Revenue*, 1869, p. 93; *Bulletin of Wool Mf.*, II, pp. 2-34. (b) Effect on the prices of wool at home and abroad. Tables of prices in *Wool Report of 1887*, in London *Economist*, in Soetbeer's *Materials on the Silver Question*, and in commercial circulars. (c) Temptation to fraudulent undervaluation of wool under the minimum duties. Osborn, *The Administration and Undervaluation Frauds*, 58, 78. *Tariff Commission Report*, 468. *Report on Revision*, 242.
4. Production of woollens. Stimulus given by the war to the manufacture of woollens; depression after the war. Circumstances under which the act of 1867 was passed. The state of the manufacture in 1867-73. The census



returns of 1870 and 1880. Character of the goods chiefly made, and their quality.

5. Imports of woollen goods. Their steady continuance. Character of the goods imported.
6. Effect of the duties on woollens.

- (a) Effect on the consumer. How far an increased price is caused. Need of distinguishing between the effect of protection to wool and that of protection to woollens. Difference between the coarser and the finer qualities of woollen goods.
- (b) Effect on the manufacturer. Causes of the comparatively limited range of the wool manufacture.
- (c) Administrative difficulties. The mixture of specific and ad valorem duties. The minimum duties on dress goods, blankets, etc.
- (d) Change in the method of manufacture in recent years, and its unexpected effect on the working of the tariff. *Report of the Secretary of the Treasury*, 1887, p. 19; *Wool Report of 1887*, p. XXIV; *Bulletin Wool Mf.*, XIV, 293-311.

23. Sugar.

General References: D. A. Wells, in *Princeton Review*, VI, 319-335.

1. The production and imports of sugar. Extent of the domestic product. Whence the imports come. *Statistical Abstract*, 1886: *Reports on Commerce and Navigation*.
2. The duty on sugar before 1883, on the Dutch Standard. The Treasury rulings, and the decision of the Supreme Court. Change to the Polariscope test in the act of 1883.
3. Free admission, by treaty, of sugar from the Hawaiian Islands, and its effect. *Tariff Commission Report*, 695-697; *Statements of 1886*, pp. 11-22. Anonymous pamphlet on *The Hawaiian Treaty*; statistics in *Quart. Rep. Bureau of Statistics*, No. 2, 1885-86.

4. Financial and economic aspect of the sugar duty. Proposals to reduce it, and to abolish it with or without compensation to Louisiana planters.
5. Attempts to stimulate beet culture in the United States. *Report of the Department of Agriculture on the Culture of the Sugar Beet*, 1880 (note pp. 167-170). The experiment in making beet-sugar in California. Hilgard, in *Overland Monthly*, December, 1886.
Reasons why beet sugar has not been made in the United States.
6. The taxation of sugar in Europe. (a) Gradual abolition of duties in England. (b) On the continent, excise taxes on beet sugar. History of the beet sugar industry, and its connection with protection. Kaufmann, *Die Zucker Industrie*. (c) The system of bounties on exports, and its recent development. *N. Y. Nation*, XLII, 420; Wells, in *Popular Science Monthly*, Jan., 1888.

24. Certain Raw Materials.

In general, consult the document referred to on pp. 15, 16.

1. Coal. Character and extent of the imports and of the domestic production. The effect of the duty. *Mineral Resources*, 224-234, 242; *Report of the Special Commissioner of Revenue for 1869*, p. LXXXIX; *Arguments of 1884*, p. 361; *Statements of 1886*, p. 187.
2. Lumber. *Tariff Commission Report*, pp. 955, 1015, 1599, 2379. Has the duty had the effect of promoting a dangerous destruction of forests?
3. Hemp and Flax; Linens. The manner in which hemp and flax are raised, and the reasons why their importation continues. *Report of the U. S. Commission of 1865*, Senate Exec. Doc., 38th Congr., 2nd sess., No. 35; the *Reports of the Flax and Hemp Spinners and Growers' Association*; *Tariff Commission Report*, 1452-1456.
Jute. *Tariff Commission Report*, 345, 1145, 1452.

25. Miscellaneous Articles.

1. Copper. Circumstances under which the act of 1869 was passed. Taussig, *Present Tariff*, 65, 106. Conditions of production; no imports, considerable exports. *Mineral Resources*, 109-139; *Tariff Commission Report*, 2177, 2555.
2. Nickel. *Tariff Commission Report*, 201, 219; Wells, *Practical Economics*, 124; *Mineral Resources*, 169-173.
3. Quicksilver. *Tariff Commission Report*, 2591-2597; *Mineral Resources*, 160.
4. Marble. Taussig, *Present Tariff*, 70; *Tariff Commission Report*, 227, 1553, 1648; H. M. Seely, *The Marble Border of Western New England*, in Proc. Middlebury Hist. Soc., vol. 1, part II, pp. 24-52.
5. Woodscrews. *Congr. Globe*, 1859-60, pp. 1020-1022; *Tariff Commission Report*, 227, 726, 941.
6. Quinine. *Tariff Commission Report* (Index).
7. Earthenware. *Tariff Commission Report*, 613, 743, 753, 759, 2399; *Arguments of 1884*, 297.
8. Glassware. *Arguments of 1884*, 245-296. *Census of 1880*, vol. II., Report on Glass.

26. General Discussions.

General References: Springer in *North Amer. Review*, vol. 136, pp. 571-580; reviewed in *Bulletin Wool Manuf.*, vol. 13, pp. 199-211. Wells, *Practical Economics*, 98-116.

1. Attempts to measure the effect of the protective system. Exaggerated estimates sometimes made. Mongredien, *The Western Farmer in America*; reviewed by Jonathan B. Wise. Difficulties of reaching numerical results.
2. The enhancement of the price of articles made at home, in consequence of duties, takes place at present chiefly with raw materials. Is such an effect on raw materials more

harmful than a similar effect on manufactured articles?

Manufactures on which there is a protective tax (silks, earthenware). On very large classes of manufactures the duty is either a revenue duty (finer linen goods), or only nominal (ordinary cottons).

3. The effect of the protective system on general prosperity. The depression of 1874-78 and of 1883-85 often ascribed to it. How far such statements can be supported.
4. Does the protective system tend to the accumulation of large fortunes, and to a spirit of communism? Rathbone, *Protection and Communism* (1884).
5. The future of the United States as a manufacturing country. The prospects of New England.
6. How far is it possible to trace the effect of protective duties?

27. Specific and Ad Valorem Duties.

General References: James, *Amerikanischer Zoll-tariff*, 36-48; Webster, *Works*, V, 170-186; *Tariff Commission Report*, 1090-1092.

1. Objections urged against specific duties: (a) that they are unequal, and bear more heavily on the poor than on the rich; (b) that they remain the same, though the price of the dutiable articles may vary greatly (steel rails in 1880-85); (c) that Congress is not capable of fixing them intelligently; (d) that their real incidence and effect are apt to be concealed.
2. Objections to ad valorem duties: (a) the danger of undervaluation and fraud. The present duty on silks and its effect. *Tariff Commission Report*, 2469-2475. (b) The difficulties of administration.
3. Mixed specific and ad valorem duties, as on woollens and on marble.

Minimum duties, as in the tariff of 1828 on woollens, and at present on carpet wool, blankets, etc.

4. Distinctions to be made: (a) whether the article is homogeneous (pig-iron), or varies greatly in quality and character (silks). (b) whether duties are collected along a land frontier (Germany), or in comparatively few sea-ports (England; United States). (c) The character of the administrative system. Civil service reform.
5. Tendency of free-traders to favor ad valorem duties, of protectionists to favor specific duties. Explanation of these tendencies.
6. Practise in the United States. Judicious system until 1816; both specific and ad valorem duties. James, 29-36. Operation of the ad valorem system of the act of 1846. Strong tendency toward specific duties since 1861. Difficulties arise as duties go higher after 1816.
7. Practise in foreign countries. None other than specific duties in England, Germany, and France.

28. Collection of Duties.

General References: Bolles, *Financial History*, III., 489-523; Goodnow, in *Political Science Quarterly*, I., 36-44.

1. History of the Revenue Collection Laws. *Report on Revision*, pp. 8-27.

Act of 1789, dividing off customs districts, and establishing the offices of collector, surveyor, and naval officer. *Stat. at Large*, I. 36-37.

Provisions of the acts of 1789, for ascertaining dutiable value; maintained until 1832.

2. Acts of 1799 and 1818, establishing the moiety system; in 1799, as to penalties and forfeitures, in 1818 as to the extra duty of 50 per cent. on under-valued goods. *Stat. at Large*, I. 697; III. 437.

Difficulties experienced under the moiety system. The Phelps-Dodge case; abolition of the moiety system in 1874. Bolles, as above; *Stat. at Large*, XVIII, 391.



3. Various devices for securing correct assessment of ad valorem duties. Appraisers appointed in 1818; additional appraisers in 1830, and in recent years. Invoices required to be sworn to before U. S. consuls in 1863. *Stat. at Large*, XII, 737. Special agents authorized in 1878. The "fraud roll" authorized in 1879. *Report of Secretary of Treasury*, 1885, Appendix, p. 38.
4. Frequent ambiguity in the tariff laws. The similitude clauses. The packing clause of the act of 1883 (construed in 6 *Supreme Ct. Reporter*, 462).
5. Credit on duties allowed from 1789 till 1842. The compromise act of 1833 requires duties to be paid in cash after June 30, 1842; the act of 1842 also requires cash duties. The act of 1846 retains cash duties, but establishes a general warehousing system.

29. English Tariff History.

General References: Morley, *Life of Cobden*, ch. IX. Noble, *Fiscal Legislation*, ch. II., III. Bigelow, *Tariff Question*, pp. 1-17.

1. The protectionist system of the 18th century. Pitt's attempt at reform in 1876-87. Levi, *British Commerce*, 52-55.
2. Huskisson's measures in 1822-26. Modification of the navigation laws. Reduction of import duties on raw materials (wool, silk, metals) and on manufactures (woollens, cottons, silks).
3. The corn law agitation. The corn law of 1815; the sliding scale of 1828. Anti-Corn-Law League formed in 1838. Character of the agitation carried on by the League. Cobden as an agitator. The causes which made certain the ultimate success of the League. Attitude of the manufacturers.
New sliding scale in 1842. The distress of 1845-46. Repeal of the corn-law, 1846.

4. The four great measures of Peel and Gladstone in 1842, 1846, 1853, and 1860. These measures largely of a fiscal character. Their fiscal and administrative qualities, as compared with tariff acts in the U. S. How far they are separable from the corn-law agitation.

The present English tariff. *Whitaker's Almanac*.

5. The discussion of English tariff history in the United States. Was protection retained in England until it could be given up without a sacrifice?

How far the supremacy of England as a manufacturing country is due to the fostering influence of the protective system of the 18th century.

How far the growth of England since 1846 has been due to free trade.

6. The connection between the repeal of the corn-laws, and the tariff of 1846 in the United States. *Walker's Report* of 1845; p. 11; Webster, *Works*, V. 231.

30. French Tariff History.

General References: Amé, *Tarifs de Douane*, vol. I, pp. 34–69. Morley, *Life of Cobden*, ch XXIX.

1. Colbert, and the restrictive system of the 17th and 18th centuries. Clément, *Système Protecteur*.
2. The commercial treaty with England in 1786 breaks with the restrictive system. Amé, I, 25.

The French assembly establishes a moderate general tariff in 1791.

3. Outbreak of the Revolutionary Wars. Re-establishment of the prohibitive system. Napoleon and the Continental system.
4. The situation in 1814–15. Unsuccessful attempt to get rid of the prohibitive system. Gradual extension of the system, and its continuance until 1860. Efforts to get rid of it under the Restoration and under Louis Philippe. Why these efforts failed.



Possible analogy with the experience of the United States after the civil war.

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Commercial treaty of 1860. Its negotiation through Cobden and Chevalier. Its provisions; preparation of the tariff treaty.

France concludes treaties with other countries than England. General adoption of the treaty system by European countries. *Journal of Statistical Society*, vol. 40, p. 1.

6. The effect of the prohibitive system in France. Improvements in production retarded (iron, textiles)? The growth of the international trade after the commercial treaties. The continued advance of France as a manufacturing country under the system of moderate duties.
7. Current toward protection in recent years. The treaty with England terminated, and the general tariff of 1882 enacted. Change from ad valorem to specific duties. Bounties on shipping and on sugar. Increase of duty on wheat in 1887. Guyot, *The French Corn Laws*. For the duties now in effect in France, see *Report on Revision*, pp. 593, seq.

31. German Tariff History.

General References: Article on Zoll-verein in McCulloch's Dictionary of Commerce, new ed. Wells, in *Popular Science Monthly*, Jan. 1888.

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